

NORTHWEST TERRITORIES OF CANADA

I. Administration

1. Agency regulating oil and gas exploration/production:
Office of the Regulator of Oil and Gas Operations (OROGO)
2. Contact for regulatory updates:
Senior Advisor, Legislation and Policy
3. Docketing procedure: The Regulator appointed by the Commissioner in Executive Council (Cabinet) makes decisions with respect to operations authorizations, well approvals and other aspects of oil and gas exploration for, drilling for, production of, conservation of, processing of and transportation of oil and gas in the onshore Northwest Territories (NWT), excluding federally retained lands. Some of these authorities are delegable.
 - a. Emergency orders: Section 20 of the *Oil and Gas Operations Act* (OGOA) gives the Regulator broad powers to issue orders. The Chief Conservation Officer, Chief Safety Officer, Conservation Officers and Safety Officers also have the power to issue orders under OGOA relating to their areas of responsibility.
 - b. Notice: OGOA does not contain specific notice provisions. The Department of Industry, Tourism and Investment (ITI) of the Government of the Northwest Territories (GNWT) undertakes a consultation and notification process with respect to the call for bids process (which results in the issuance of exploration licences).
4. Agency regulating air emissions: Department of Environment and Natural Resources, GNWT.
5. Agency regulating water quality: Mackenzie Valley Land and Water Board or region-specific Land and Water Boards.

II. License

1. License required:
Exploration licences, significant discovery licences and production licences are issued under the *Petroleum Resources Act* by ITI. These licences allow for access to a defined area and the petroleum resources within that area.

All oil and gas activities, from drilling through to abandonment, require an Operations Authorization under OGOA. Well Approvals (under the *Oil and Gas Operations Drilling and Production Regulations – OGDPR*) are also required on a per-well basis for drilling, re-entry, work overs, completion or recompletion, suspension and abandonment of a well or part of a well.

Operations Authorizations are also required for seismic operations and for the construction, operation and eventual decommissioning of pipelines within OROGO's jurisdiction (pipelines crossing provincial/territorial borders are regulated by the National Energy Board).

2. Conditions of license:

Operations Authorizations and Well Approvals contain terms requiring the operator to adhere to OGOA and its regulations, as well as any guidelines or interpretation notes issued by the Regulator under section 18 of OGOA. Project-specific terms may also apply.

Flaring / venting / burning of oil require specific approvals.

III. **Bond/Surety**

1. Purpose of surety:

Proof of Financial Responsibility (PFR) is required for Operations Authorizations under section 64 of OGOA. The Regulator may compensate a third party from the PFR for: loss of damage due to spills or debris or costs incurred to clean up spills or debris. Loss or damage includes the loss of hunting, fishing and gathering opportunities by Aboriginal people.

2. Plugging and restoration:

Security for closure and reclamation is held by the applicable Land and Water Board.

3. Compliance bond required:

No.

4. Types of surety accepted:

PFR must be in a form acceptable to the Regulator. Most commonly this consists of an irrevocable letter of credit.

5. Conditions of bond:

The *Oil and Gas Spills and Debris Liability Regulations* establish maximum limits of liability as follows:

- \$25,000,000 (CAD) per Operations Authorizations for activities taking place in an area covered by or within 200 meters of a river, stream lake or other body of water; or
- \$10,000,000 (CAD) per Operations Authorization for all other onshore activities in OROGO's jurisdiction.

There is no limit to the number of wells that can be covered by one Operations Authorization.

- a. Amount per well:
- b. Amount of blanket bond:

IV. Land Leasing Information

1. Leasing method:
2. Notice method:
3. Minimum bidding \$ (per acre):
4. Qualification of the bidder:
5. State statutes:
Petroleum Resources Act
6. Maximum acres:
7. Royalty rates:
8. Agency in control of leasing: Department of Industry, Tourism and Investment, GNWT.

V. Setbacks

1. What rules/regulations/policies does your jurisdiction have in regard to well setbacks from private residences and/or other habitable structures for use by humans or animals?
None under OGOA.
2. Are there other sources of information on this matter that you could identify?

N/A

VI. Spacing

1. Spacing requirements:

There are no specific spacing requirements set out in legislation or regulation in OROGO's jurisdiction.

Section 2 of the OGDPR authorizes the Regulator to make orders respecting, among other things, the size of spacing units.

a. Density:

b. Lineal:

2. Exceptions:

a. Basis:

b. Approval:

VII. Pooling

All aspects of pooling are covered under sections 67-73 of OGOA

1. Authority to establish voluntary:

2. Authority to establish compulsory:

VIII. Unitization

All aspects of unitization (including compulsory unitization) are covered under sections 74-84 of OGOA.

1. Compulsory unitization of all or part of a pool or common source of supply:

2. Minimum percentage of voluntary agreement before approval of compulsory unitization:

a. Working interest:

b. Royalty interest:

IX. Drilling Permit

1. Permits required for:

- a. Drilling a producing or service well: Yes – Operations Authorization and Well Approval (Approval to Drill a Well)
- b. Seismic drilling: Yes – Geophysical Operations Authorization (there are also Geological and Geotechnical Operations Authorizations)
- c. Recompletion: Yes – Well Approval (Alter the Condition of a Well)
- d. Plugging and abandoning: Yes – Well Approval (Alter the Condition of a Well)

2. Permit fee:

There are no fees for Operations Authorizations or Well Approvals.

Operators are required to obtain an Operating Licence – renewed annually with an annual fee of \$25 CAD.

- a. Drilling:
- b. Seismic drilling:
- c. Recompletion:
- d. Plugging and abandoning:

3. Require filing report of work performed:

Yes – depending on the type of work performed: daily reports, monthly production reports, annual production reports, annual environmental reports, annual safety reports, well history reports and well operations reports (all under the OGDPR). Reporting for geophysical operations is required under the *Oil and Gas Geophysical Operations Regulations*.

4. Sundry notices used:

X. Vertical Deviation

1. Regulation requirement:

- a. When is a directional survey necessary:

Section 32 of the OGDPR requires that directional and deviation surveys be “taken at intervals that allow the position of the well-bore to be determined accurately”.

- b. Filing of survey required:

Filed as part of the well operations reporting.

- c. Format of filing:

Not specified.

XI. Casing and Tubing

The *Well Suspension and Abandonment Guidelines and Interpretation Notes*, issued by the Regulator under section 18 of OGOA, provide requirements for cementing associated with suspensions and abandonments.

- 1. Minimum amount required:

General requirements for casing are provided in sections 39-40 of the OGDPR.

Casing pressure testing requirements are provided in section 43 of the OGDPR.

- a. Surface casing:
- b. Production casing:

- 2. Minimum amount of cement required:

General requirements for cement are provided in sections 41-42 of the OGDPR.

- a. Surface casing:
- b. Production casing:
- c. Setting time:

- 3. Tubing requirements:

Production tubing requirements are provided in section 44 of the OGDPR.

- a. Oil wells:
- b. Gas wells:

XII. Hydraulic Fracturing

There are no specific requirements associated with hydraulic fracturing in the legislation or the regulations.

Filing Requirements for Onshore Drilling Operations Involving Hydraulic Fracturing, issued by the National Energy Board before devolution, were carried over under OGOA's transitional provisions.

1. Permitting:
 - a. Before drilling: Yes – in the Operations Authorization and in the Well Approval (Approval to Drill a Well)
 - b. Before fracing: Yes – in the Well Approval (Approval to Alter the Condition of a Well – for well completion)
 - c. How long before: No specific timeframes
2. Reporting requirements:
 - a. Where reported: Daily reports, well operations report, etc.
 - b. When reported: Daily or within 30 days of the end of the well operation
3. Source water requirements: None under OGOA. Water use is regulated by the Land and Water Boards.
4. Mechanical integrity:
 - a. Cementing log required:
 - b. Pressure testing:
 - c. Pressure monitoring:
 - d. Blowout preventer required:
5. Disposal of flowback fluids:

Some of these methods would require approval from the Land and Water Boards as forms of waste disposal.

 - a. Retaining pits:
 - b. Tanks:
 - c. Approved discharge to surface water:
 - d. Underground injection:
6. Chemical disclosure requirement:

- a. Mandatory:
No.
- b. Where disclosed:
FracFocus.ca
- c. When disclosed (pre-fracing, post-fracing, both):
Post-fracing
- d. Time limit to disclose:
30 days (voluntary)
- e. Information required to be disclosed:
None. Information voluntarily disclosed includes well name, operator, identification number, location, classification, date of fracture finish, true vertical depth, fluid ingredients and their purpose, percentage concentration, chemical abstract service number, total volume of water, and the trade name and supplier of each ingredient.
- f. Trade secret protection:
Yes
- g. Required disclosure to health/emergency personnel:
None

XIII. Underground Injection

- 1. Agencies that control the underground injection of fluid by well class:
OROGO

XIV. Completion

- 1. Completion report required:
 - a. Time limit: 30 days
 - b. Where submitted: OROGO
- 2. Well logs required to be filed:
 - a. Time limit: 30 days

- b. Where submitted: OROGO
 - c. Confidential time period: 2 years (under section 91 of the *Petroleum Resources Act*)
 - d. Available for public use: Yes
 - e. Log catalog available: Logs are contained in the well files. A list of wells is available on OROGO's website.
3. Multiple completion regulation:
- There are no specific regulations addressing multiple completions.
- a. Approval obtained:
4. Commingling in well bore:
- Commingled production is addressed in section 66 of the OGDPR.
- a. Approval obtained: Regulator

XV. Oil Production

1. Definition of an oil well:
- No definition of "oil well"
- OGO defines "oil" as "crude petroleum regardless of gravity produced at a well-head in liquid form and any other hydrocarbons, except coal and gas, including hydrocarbons that may be extracted or recovered from surface or subsurface deposits, including deposits of oil sand, bitumen, bituminous sand, oil shale and other types of deposits."
2. Potential tests required:
- General requirements for the evaluation of pools and fields are provided in Part 5 of the OGDPR (section 49-55).
- a. Time interval:
 - b. Witness required:
3. Maximum gas-oil ratio:
- No maximum ratios are set under the legislation or regulations
- a. Provision for limiting gas-oil ratio:

b. Exception to limiting gas-oil ratio:

4. Bottom-hole pressure test reports required:

No specific bottom-hole pressure tests are required under the legislation or regulations.

Section 40 of the OGDPR requires that the operator ensure that the well is operated in a manner that provides for “safe, constant bottom hole pressure”.

a. Periodical bottom-hole pressure surveys:

5. Commingling oil in common facilities:

Section 46(1) of the OGDPR addresses commingled production.

6. Measurement involving meters:

Section 13(4) of the *Interpretation Act* indicates that metric units of measurement and their symbols have the meaning given to them in Schedule I of the *Weights and Measures Act (Canada)*.

7. Production reports:

Daily and monthly production reports are required (section 83 and 84 of the OGDPR).

a. By lease: Yes

b. By well: Yes

c. Time limit: Monthly reports must be submitted no later than the 15th day of each month.

XVI. Gas Production

1. Definition of a gas well:

No definition of “gas well”

OGOA defines “gas” as “natural gas” including “all substances, other than oil, that are produced in association with natural gas”.

2. Pressure base _____ psia @ _____ degrees F.

None

3. Initial potential tests:

General requirements for the evaluation of pools and fields are provided in Part 5 of the OGDPR (section 49-55).

- a. Time interval:
- b. Witness required:

4. Bottom-hole pressure test reports required:

No specific bottom-hole pressure tests are required under the legislation or regulations.

Section 40 of the OGDPR requires that the operator insure that the well is operated in a manner that provides for “safe, constant bottom hole pressure”.

- a. Periodical bottom-hole pressure surveys:

5. Commingling of gas in common facilities:

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- b. By well: Yes
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